

U.S. ENERGY CORP.

877 North 8th West
Riverton, WY 82501 USA

File: M/617/001
Tom

Ph: (307) 856-9271
Fx: (307) 857-3050
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January 12, 2006

Ms. Susan M. White
Mine Program Coordinator
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West Temple, Suite 1210
PO Box 145801
Salt Lake City, UT 84114-5801

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JAN 17 2006

DIV. OF OIL, GAS & MINING

Re: 2005 Annual Reports for Tony M/Lucky Strike, Frank M and Velvet Mines

Dear Ms. White:

Please find enclosed the completed 2005 annual reports for the Tony M/Lucky Strike Mine Permit No. M170001, Frank M Mine Permit No. S170017 and Velvet Mine Permit No. M370040. The status for the three mine sites is reclaimed.

Should you have any questions I can be contacted at (307) 856-9271.

Sincerely,
Plateau Resources Limited

Fred Craft

Fred Craft

*Didn't see report for
Velvet, but there should be
be much to report.*

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple - Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) 01/2005 To (mo./yr.) 01/2006
2. DOGM File Number (Mine No): M170001
3. Mine Name: Tony M/Lucky Strike
4. Mineral(s) Mined (or permitted to mine): Uranium
5. Type of mine: ☐ Surface Mine or ☒ Underground Mine
6. Legal Description (Location of Lands Affected):
1/4, NW 1/4, NW 1/4, Section 16, Township 35S, Range 11E
1/4, NN 1/4, SW 1/4, Section 16, Township 35S, Range 11E
1/4, SE 1/4, SW 1/4, Section 16, Township 35S, Range 11E
7. Name of Operator or Company: Plateau Resources Limited
8. Permanent Street Address: 877 North 8th West
City, State, Zip: Riverton, WY 82501
Phone: (307) 856-9271 Fax: (307) 857-3050 E-mail: frede@usnrg.com
9. Company Representative (or designated operator):
Name: Fred Craft
Title: Director of Regulatory Affairs
Business Address: 877 North 8th West
City, State, Zip: Riverton, WY 82501
Phone: (307) 856-9271 Fax: (307) 857-3050 E-mail: frede@usnrg.com
☐ Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was there any mine related activity during the past year? Yes ☐ No ☒
2. If no - what was the last year of activity? 2004

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Reviewed
10/5/06
MMB

3. Report the gross amount of ore mined and waste moved, as well as the arrangement, positioning, or distribution of the material. None
4. Briefly describe the type of work performed, during the past year. None
5. How much **new or additional acreage** was disturbed during the past year? None
6. How much acreage was **reclaimed** during the past year? None
7. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results. (Submit form MR-SITE for an application for full or partial bond/site release).
None
8. What is the **total** disturbed acreage of entire project at years end? 33.4 Ac
9. Briefly summarize any mining and/or reclamation plans for the upcoming year.
Inspect and repair as needed during vegetation growth
10. The operator shall keep and maintain timely records relating to his performance under the Act, and shall make these records available to the Division upon request.

NOTE: Section III., "Additional Information" applies only to **large mining operations**.

III. Additional Information - R647-4-121.2

1. **Include an updated map depicting surface disturbance and reclamation performed during the year**, prepared in accordance with Rule R647-4-105.

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print): Fred Craft
Title of Operator: Director of Regulatory Affairs
Signature of Operator: [Signature]
Date: 01/12/06